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## DEPARTMENT OF STATE BUREAU OF INTELLIGENCE AND RESEARCH

## CONFIDENTIAL

TO

The Acting Secretary

THROUGH

s/s a

FROM

INR - Hugh S. Cumming, Jr.

SUBJECT

Khrushchev Speech of November 10

NOV 1 1958 (1) 4)

In addition to a harsh attack on Iran the primary significance of Khrushchev's speech at a Soviet-Polish "friendship meeting" in Moscow, November 10, lies in its treatment of the German question and especially Berlin. Khrushchev says: 1) the Allies whave long ago abolished that legal basis on which their stay in Berlin rested; 2) "the time has come....to give up the remnants of the occupation regime in Berline; 3) the USSR will hand over to the sovereign GDR those functions in Berlin which are still with the Soviet organs"; 4) "let the U.S., France and Britain form their own relations with the GDR and come to an agreement with her themselves if they are interested in certain questions connected with Berlin"; 5) "should any aggressive forces attack the GDR....then we will consider it as an attack on the Soviet Union"; 6) "We have many reasons for freeing ourselves from those obsolete obligations of the Potsdam Agreement to which the Western Powers are clinging and for conducting with regard to Berlin alline of policy that would follow from the interest of the Warsaw Treaty."

The above statements suggest that the USSR and the GDR plan in the near future some challenge to the Western position in Berlin. This will begin with surrender to the GDR of remaining Soviet functions in Berlin and will probably include transfer to the GDR of some or all control over Allied access to Berlin.

The most likely aim of this challenge is to force the Allies to deal with the GDR on a <u>de facto</u> basis and eventually to recognize it. It seems unlikely that the USSR plans at the present time to use force against the Western position or to blockade the city. At the same time the USSR probably hopes to forestall any Western use of force against the GDR access controls by its threat that an attack on the GDR is an attack on the USSR (incidentally, the same language khrushchev used about Communist China in the Taiwan Straits crisis).

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The Soviet course of action suggested by Khrushchev's speech would also relate to larger German issues. The USSR probably calculates that if Western Allies begin de facto dealings with the GDR over access. Soviet proposals for East-West German negotiations on reunification and four-power consultation with GDR-GFR on a peace treaty would gain plausibility. At the same time the USSR and GDR may plan to apply their Germans-to-Germans tactic in Berlin as well as in all-German problems.

If the USSR does embark on the above course of action, it would probably be intended as a probing tactic rather than a drive to the end despite all obstacles. It seems unlikely the USSR will undertake a substantial risk of war over Berlin, especially since the margin for error and the chance of limiting a conflict are even smaller in Berlin than in China. How far the USSR will go will thus be determined by Western reactions, but, if Soviet practice of the recent past provides a guide, the West must expect a serious increase of tension over Berlin.

For the long range the most dangerous aspect of Khrushchev's remarks is that they provide further evidence the USSR is now prepared to stir up international crises with no provocation in order to serve the interests of the bloc.

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